

7 February 2019

Phil Pennington  
Reporter  
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REF: OIA-4543

Dear Phil

**Request made under the Official Information Act 1982**

Thank you for your email of 18 December 2018 requesting the following information under the Official Information Act 1982 (the Act):

- *The number of staff who directly reported to the CE (direct reports) at the end of 2014 and 2015.*
- *What happened to the number of direct reports between March 2016 when Mr Gammie began, and the present (eg pls chart in numbers its rise or fall).*
- *Pls note which and how many of these direct reports post-March 2016 were at any stage fixed-term contracts; how many and which then became something other than a fixed-term contract, and what they became (eg permanent).*
- *Pls advise what the Board and/or chair who came on in 2018 instructed or advised re the number of direct reports the CE was to have. If that number is a reduction, pls outline what is to happen to those other direct reports, including if any of these direct reports are being disestablished, and if any form of redundancy is involved (voluntary or otherwise), and the cost of that.*
- *Pls provide a summary from the CE about how his strategy with direct reports had any influence on how TA was addressing the regulatory problems.*

I will address each part of your request in turn.

**1. *The number of staff who directly reported to the CE (direct reports) at the end of 2014 and 2015.***

In the 2014/15 and 2015/16 financial years, Geoff Dangerfield, then Chief Executive of the NZ Transport Agency, had 13 direct reports, including 10 Senior Executives (six Group Managers and four Regional Directors).

**2. What happened to the number of direct reports between March 2016 when Mr Gammie began, and the present (eg pls chart in numbers its rise or fall).**

Fergus Gammie was a Chief Executive of the Transport Agency from March 2016 to December 2018. In the 2015/16 and 2016/17 financial years, he had 14 direct reports, including 10 Senior Executives (six Group Managers and four Regional Directors). In 2017/18, Mr Gammie had 18 direct reports, including 15 Senior Executives (seven General Managers, four Directors Regional Relationships and four Directors). In December 2018, he had 12 direct reports, including nine Senior Executives (eight General Managers and one Programme Director).

Mr Mark Ratcliffe, who started as an Interim Chief Executive in January 2019, currently has 12 direct reports, including nine Senior Executives (eight General Managers and one Programme Director).

In July 2017, the Transport Agency began implementing a number of organisational changes. Four Directors became direct reports to the Chief Executive to allow the Chief Executive to focus on the specific areas, including Safety and Environment, Transport Access Delivery, Customer Experience and Behaviour, and Connected Journey Solutions. This operating model was confirmed in November 2017. Following this, the Chief Executive indicated that the operating model would be transitional for a period of 12–18 months, after which it would be reviewed and either confirmed or adapted.

The Transport Agency announced and consulted on a refined operating model in the 2018–19 financial year. The model was implemented on 7 January 2019. This included folding three of the special focus Director roles into their natural business groups. One Directorate, Transport Access Delivery, became part of the new Regulatory Group, which has been formed to strengthen the Transport Agency's regulatory function.

**3. Pls note which and how many of these direct reports post-March 2016 were at any stage fixed-term contracts; how many and which then became something other than a fixed-term contract, and what they became (eg permanent).**

The positions of the Director, Connected Journey Solutions, and Regional Director, Waikato and Bay of Plenty, were filled by fixed-term employees after March 2016. Both positions became permanent, and the candidates filling the roles in a fixed-term capacity were appointed into permanent positions.

**4. Pls advise what the Board and/or chair who came on in 2018 instructed or advised re the number of direct reports the CE was to have. If that number is a reduction, pls outline what is to happen to those other direct reports, including if any of these direct reports are being disestablished, and if any form of redundancy is involved (voluntary or otherwise), and the cost of that.**

As outlined in my response to your second question above, in July 2017, the Transport Agency began implementing a number of organisational changes. This was followed by refinement to the operating model and subsequent minor changes to the Chief Executive's direct reports.

The Transport Agency made these changes to enable our organisation to be more adaptable and resilient so that we can better respond to changes, emerging trends or issues outside our organisation and to simplify the organisational structure, grouping 'like' functions together, and enabling the Chief Executive to focus on strategic and high-risk matters.

There were five parameters for the changes made to the operating model, which were agreed with the Board:

- 1) Workplace Health and Safety reporting directly to the Chief Executive
- 2) Light Rail reporting directly to the Chief Executive
- 3) The creation of a strengthened regulatory function reporting to the Chief Executive
- 4) An overall reduction in the number of direct reports to the Chief Executive
- 5) Keeping the integrity of the operating model.

The Directorates that were given additional focus and exposure by reporting directly to the Chief Executive were folded back into the organisation, with the exception of Transport Access Delivery, which became part of the new Regulatory function.

As well as a strengthening of the regulatory function, these changes allowed for new emerging priorities, such as Health and Safety and Light Rail.

As a result of this change, one direct report to the Chief Executive was made redundant. A confidential redundancy payment was made, which was less than \$90,000.

***5. Pls provide a summary from the CE about how his strategy with direct reports had any influence on how TA was addressing the regulatory problems.***

The changes introduced in July 2017 created a new regulatory position, which reports directly to the Chief Executive to recognise its importance. When the operating model was refined in late 2018, this regulatory position was reconfigured with a significantly broadened scope and became part of the Executive team.

If you would like to discuss this reply with the Transport Agency, please contact me by email to [andrew.knackstedt@nzta.govt.nz](mailto:andrew.knackstedt@nzta.govt.nz) or by phone on (04) 894 6285.

Yours sincerely



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